

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING INC.,
HEMATITE INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC.,
PAVACO HOLDINGS U.S. INC., HEMATITE, INC. AND
HEMATITE AUTOMOTIVE PRODUCTS INC.**

NOTICE OF MEETING AND SANCTION HEARING

On November 18, 2020, Hematite Holdings Inc., Hematite Manufacturing Inc., Hematite Industrial Products Inc., Canadian Pavaco Inc., Pavaco Holdings U.S. Inc., Hematite, Inc. and Hematite Automotive Products, Inc. (the “**Applicants**”) filed a plan of compromise, arrangement and reorganization (the “**Plan**”) under the *Companies' Creditors Arrangement Act* (Canada) (the “**CCAA**”) and obtained an order (the “**Meeting Order**”) directing them to conduct a meeting of their creditors to vote on the Plan (the “**Meeting**”). All capitalized terms used in this Notice that are not defined herein have the meaning given to them in the Plan and the Meeting Order.

TAKE NOTICE that:

1. The Plan contemplates the compromise of all Affected Claims and will effect a release and discharge of all Affected Claims and Released Claims.
2. The sole class of creditors of the Applicants for the purpose of voting on the Plan is comprised of all Affected Creditors holding Affected Claims that are Proven Claims (the “**Affected Creditor Class**”).
3. You are receiving this Notice because you have been identified as a member or potential member of the Affected Creditor Class.
4. Enclosed with this Notice you will find a copy of an Information Statement prepared by the Applicants (which attaches the Plan as an exhibit) and a Proxy and Election Notice. In addition to these materials, you may also want to review the Meeting Order. The Meeting Order and other information is available on the Monitor’s Website at following URL: <http://home.kpmg/ca/hematitegroup>.
5. The purpose of these materials is to provide you with documents to assist you in your review and consideration of the Plan and in deciding whether to vote to accept or reject the Plan, and to provide you with notice of the Meeting that will be held at the following date, time and location:

Date: December 11, 2020

Time: 11:00 a.m. (Eastern Time)

Location: Videoconference (details are attached to this Notice as **Schedule “A”**)

6. Only those Affected Creditors holding Affected Claims that are Proven Claims or Unresolved Claims will be eligible to attend the Meeting and vote on the resolution to approve the Plan. The votes of creditors holding Unresolved Claims will be separately tabulated and will be treated as set out in the Meeting Order. Unaffected Creditors and holders of Equity Claims will not be entitled to attend and vote at the Meeting.
7. Any Proxy, including the Proxy and Election Form, must be sent by e-mail, or only if it cannot be sent by e-mail, delivered to the Monitor in each case so that it is received by no later than 5:00 p.m. (Toronto Time) on the date that is three (3) Business Days prior to the Meeting or any adjournment of the Meeting.
8. Any failure to file a Proxy will not affect your right to any distribution under the Plan.
9. If the Plan is approved at the Meeting and the other necessary conditions are met, the Applicants intend to apply to the Court for an Order sanctioning the Plan pursuant to the CCAA (the “**Sanction Order**”) on December 18, 2020 (the “**Sanction Hearing**”). Any person wishing to oppose the relief sought at the Sanction Hearing must serve on the Service List a notice providing the basis for such opposition and a copy of the materials to be used to oppose the granting of the Sanction Order at least two (2) Business Days before the date set for the Sanction Hearing, or such shorter time as the Court, by Order, may allow.
10. Among other things, the following is required for the Plan to become effective:
 - (a) the Plan must be approved by a majority in number of the Affected Creditors holding Voting Claims representing at least two-thirds in value of the Voting Claims that are in attendance personally or by proxy and voting at the Meeting (the “**Required Majorities**”) in accordance with the Meeting Order;
 - (b) the Plan must be sanctioned by the Court and the Sanction Order must have been recognized and given full force and effect in the United States by an order of the United States Bankruptcy Court for the District of Delaware; and
 - (c) the other conditions precedent to implementation and effectiveness of the Plan that are set out in the Plan must be satisfied or waived pursuant to the terms of the Plan.

If you have any questions regarding these matters or the enclosed Proxy and Election Notice, please contact the Monitor. The fax number / email address / address for delivering Proxies to the Monitor are as follows:

KPMG Inc.
Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Attention: Katherine Forbes
Email: hematitegroup@kpmg.ca
Fax: 416-777-8818
Tel: 416-777-3978

**SCHEDULE “A”
VIDEOCONFERENCE DETAILS**

<https://lync.kpmg.ca/meet/jojotang/5CRD4V5K>

Join by phone:

+1 (416) 777-8811,,7342677230# (CA)	English (United States)
+1 (604) 673-4457,,7342677230# (CA)	English (United States)
+1 (844) 499-8690,,7342677230# (CA)	English (United States)
+1 (514) 840-2670,,7342677230# (CA)	French (Canada)

Conference ID: 7342677230